

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/962/2016

Dated: 24th January, 2017

**Order in Revision No. 297/2017 under section 25-D of the Customs Act, 1969
against Valuation Ruling No.959/2016 dated 04-11-2016**

- i. This copy is granted free of charge for the private use of the person to whom it is issued.
- ii. An appeal against this Order-in-Revision lies to the Appellate Tribunal, Customs having jurisdiction, under section 194-A of the Customs Act, 1969, within stipulated period as prescribed under the law. An appeal should bear a court fee stamp of Rs.1000/- (Rupees one thousand) only as prescribed under schedule-II item 22 of the Court Fee Act, 1870 and must be accompanied by a copy of this Order.
- iii. An extra copy of appeal, if filed, should simultaneously be sent to this office for information and record.
- iv. If an appeal is filed, the appellant should state whether he desires to be heard in person or through an advocate.

M/s Qaiser Brothers
M/s Ameerco

..... PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing 19-12-2016

For the Petitioners Mr. Muhammad Asif

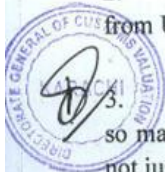
For the Respondent Mr. Safdar Abbas, Principal Appraiser

This revision petition was filed under section 25-D of the Customs Act, 1969 against customs value determined vide Valuation Ruling No.959/2016 dated 04-11-2016 issued under section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

2. We would like to bring some facts in your knowledge about increased value of Ring travelers from US\$ 67/kg to US\$ 80/kg on German made ring travelers.

3. This item is made of core iron wire, and your good self is well aware that the prices of iron and so many commodities have been decreased internationally, so the question of increasing the value is not justifiable.

4. This is one of the main consumable items being used in textile industry and it is absolutely not possible to increase the prices any more. Rather we had to decrease the prices due to the fact that our textile industry is in deep crises due to recession internationally and any increase in prices will lead to



further destruction not only for the industry but effect greatly our Country's Exports which are already under pressure.

5. The German ring travelers are mainly used/consume in Pakistan industry and we are the main stake holder in the market, so we effect very badly in this context and will put our business in great losses.

6. Due to current situation of Pakistan textile industry, you have to support it to get back on its feet rather than to put more pressure and lead to great losses more un-employments, loss of foreign exchange and his industry contributes nearly 50% to our economy.

7. Besides the above facts your good self is well known that there are so many other business are related to textile industry, and if textile industry is not in good shape than these related business do also effect badly and can suffer further losses which overall will further destruct our economy, tax generation employments and so many other factors.

8. In view of the above facts we request you to kindly restore the previous value of US\$ 67/- for German ring travelers to help out the textile sector & economy.

9. The respondent department was asked to furnish comments to the arguments submitted by the petitioner in the case. Para-wise comments on the petition are given as under:

10. The Valuation Ruling No.959/2016 dated 04-11-2016 has been issued after consultation with stakeholders including Federation of Pakistan Chamber of Commerce and Industry who is main representing body of trade. As far as concern methodology adopted it is stated that "Transaction value method provided in Section 25(1) was found inapplicable because the requisite information was not available. Identical / similar goods value methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods. Thereafter, market enquiry as envisaged under Section 25(7) of the Customs Act, 1969, was conducted. The computed value method as provided in section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. On line values of subject goods were also obtained. All information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the customs values of ring traveler of different origins have been determined under Section 25(9) of the Customs Act, 1969.



Parawise Comments

Para 1 No comments being related to introduction of the importer.

Para 2 Customs values of different origins ring traveler have been determined duly under envisaged Section 25-A of the Customs Act, 1969.

Para 3 Denied: Stakeholders meeting was convened on 21-07-2016. Federation of Pakistan Chamber of Commerce and Industry as well Karachi Chamber of Commerce and Industry who is main representative of the importers were invited in the meeting. Different importers did not produce corroboratory documents in their defense so this Directorate General conducted market survey under Section 25(7) of the Customs Act, 1969.

Para 4 Denied. Online values of subject goods were also obtained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the customs values of Ring Traveler have been determined under section 25(9) of the Customs Act, 1969.

Para 5 Need no comments being related to further submission at the time of hearing.

12. It is respectfully prayed that the customs values were determined vide Valuation Ruling No. 959/2016 dated 04-11-2016 strictly in accordance with Valuation methods given in Section 25 of the Act, 1969. Moreover the Appeal has no merit for consideration and is liable to be rejected.

ORDER

13. Hearing in this case was fixed for 19-01-2017. Mr. Muhammad Asif appeared on behalf of M/s Qaiser Brothers and stated that they are importing Textile Machinery Parts "Ring Travelers" from Germany. They argued that last Valuation Ruling was @ US\$ 67/Kg but the same has now been revised at US\$ 80/Kg which is much higher and is not viable to import at present. The petitioner stated that the said item is one of the main consumable item being used in Textile industry and it is absolutely impossible to increase the price any more. Rather it has to be decreased due to decreasing in international prices. He further contended that Ring Traveler is made of core iron wire and prices of iron have been decreased internationally, so question of increasing the value is not justifiable, therefore, the previous customs values may be decreased from \$ 67 to \$ 60/kg.

14. Clearance data of AFU vide GD No.KAPF-HC-11932, dated 16-09-2016 and MCC Appraisalment (West) vide G.D.No.KAPW-HC-210540, dated 03-05-2016 and KAPW-HC-127178, dated 11-01-2016 all assessed as per Valuation Ruling at US\$ 67/kg. Zauba data was retrieved which relates to Air Cargo and reveals different values of Ring Travelers. Another Chinese website was checked where price per piece in Indian Rupees has been given at Rs.0.50/Pc to Rs.2.00/Pc. The Principal Appraiser assessed and put up calculation sheet. As per calculation sheet the weight becomes 6 milligram per piece (1666 pieces/kg). As such the price US\$ 49.38/kg seems to be on lower side as showing from various Chinese websites and onwards was calculated by the group for Indian origin.

14. In view of the above facts, clearance data of AFU and other Customs stations (much on higher side than website) international website prices and analyzing all other information, the customs value of Ring Travelers of German origin is determined at US\$ 73.00/kg. Petition is disposed off accordingly.


(Syed Tanvir Ahmad)
Director General

Registered copy to:

M/s Qaiser Brothers,
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Mumtaz Hassan Road, I.I. Chundrigar Road, Karachi.

M/s Ameerco,
Suit # 1, 5th floor, Madina Tower,
224 Ferozepur Road, Muslim Town Moore, Lahore

Copy to:

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2. Chief Collectors Customs Appraisalment (South)/Enforcement, Karachi/
(North) Islamabad/(Central) Lahore.
3. Collector, MCC Appraisalment (East)/ Appraisalment (West)/Port M. Bin Qasim/
Preventive, Karachi.
4. Collector, MCC, Appraisalment/Preventive, Lahore/Quetta/Peshawar/Faisalabad/
Sambrial/Multan/Hyderabad/Islamabad/Gilgit-Baltistan/Gawadar.
5. Director, Customs Valuation, Karachi/Lahore.
6. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for uploading
in One-Customs and WeBOC database.
7. Asstt. Director (Review), Karachi.
8. All Deputy/Assistant Directors (Valuation)
9. Guard File.